

Articles of Incorporation of AMERICAN RAILWAY DEVELOPMENT ASSOCIATION

(A Kansas Nonprofit Association)

The undersigned individuals 18 years of age or older, acting as incorporators under, adopt the following Articles of Incorporation:

Article I: Name of Association and Duration

The name of this corporation is **American Railway Development Association** (hereinafter referred to as the "**Association**" or "**ARDA**") and its duration shall be perpetual.

Article II: Organization of Nonprofit

This Association is a nonprofit, mutual benefit corporation, organized under the laws of the State of Kansas.

Article III: Statement of Purpose

The purposes for which this Association is organized are as follows:

(1) The Association is formed for the purpose of fostering economic development, real estate, law, technology and environmental activities of North American railroads through the advancement of ideas and education of its members to promote the effectiveness of railway development and related work, as set out in more detail in the Associations constitution as the same is now in effect or as may be amended by the Association's members.

(2) The Association is formed as a business league, within the meaning of section 501(c) (6) of the United States Internal Revenue Code of 1986, (hereinafter referred to as the "**Code**") and pursuant to the laws of the State of Kansas. All references to the Code contained herein are deemed to include corresponding provisions of any future United States Internal Revenue Law or Regulation.

(3) In furtherance of the purposes set forth in this Article III, the Association may exercise all the rights and powers conferred on nonprofit mutual benefit corporations under the laws of the State of Kansas.

Article VII: Members

The Association will have members whose terms, rights and duties shall comply with the Association's constitution as now in effect or as may be subsequently amended by the Association's members.

Article VIII: Fiscal Year

The Association's fiscal year shall begin on July 1st of each calendar year.

Article IX: Board of Directors

The Association will have no less than 3 and no more than 6 Directors that shall serve one year terms coinciding with the fiscal year of the Association. One Director shall be the current President of the Association. The other members shall be the members of the Association's remaining elected officers and the immediate Past-President.

Article X: Dedication and Dissolution

In the event of liquidation, dissolution, termination, or winding up of the Association (whether voluntary, involuntary, or by operation of law), the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the Association and the refund of dues to its members for that portion of the membership year after the effective date of dissolution, transfer all of the property and assets of the Association to one or more Qualified Organizations, as defined below, as the Board of Directors shall determine. For purposes of this Article X "Qualified Organization" shall mean a corporation or other organization organized and operated exclusively for religious, charitable, educational or other purposes meeting the requirements for exemption, as shall at the time qualify either (i) as exempt from federal income tax under section 501(a) of the Code by reason of being an organization described in section 501(c) of the Code, or (ii) as a corporation or other organization contributions to which are deductible under section 170(c)(1) of the Code.

No part of the earnings of this Association shall inure to the benefit of, or be distributable to, its members, directors, officers, or other private persons, except that this Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these articles.

Article XI: Limitation of Liability

To the fullest extent not prohibited by Kansas law, as it exists on the date hereof or is hereafter amended, a director and/or officer of the Association shall not be liable to the Association or its members for any monetary damages for conduct as a director and/or officer.

- (1) Any breach of the director's or officer's duty of loyalty to the Association or its members;
- (2) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (3) Any unlawful distribution;
- (4) Any transaction from which the director or officer derived an improper personal benefit; or
- (5) Any act or omission in violation of the laws of the State of Kansas.

Article XII: Indemnification

To the fullest extent not prohibited by law, as it exists on the date hereof or is hereafter amended, the Association:

- (1) Shall indemnify any person who is made, or threatened to be made, a party to an action, suit or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit or proceeding by or in the right of the Association), by reason of the fact that the person is or was a director of the Association; and
- (2) This Article XII shall not be deemed exclusive of any other provisions or insurance for the indemnification of directors, officers, employees, or agents that may be included in any statute, bylaw, agreement, resolution of members or directors or otherwise, both as to action in any official capacity and action in any other capacity while holding office, or while an employee or agent of the Association.

THE UNDERSIGNED original incorporators have executed these Articles of Incorporation effective _____, 20____.

By _____
John Rider, ARDA President

By _____
Kevin Keller, ARDA First Vice President

By _____
Leo Thorbecke, ARDA Second Vice President

By _____
David Drach, ARDA Secretary-Treasurer

By _____
Richard Sibley, ARDA Past-President